

16 APR 1974

MEMORANDUM FOR: Chief, Plans and Programs Staff, OL

SUBJECT : Proposed Establishment of a [REDACTED]
[REDACTED] Within the General Procurement
Branch, Procurement Division, OL

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1. During the past seven months, General Procurement Branch, Procurement Division, OL (GPB/PD/OL), has averaged in excess of 1,000 requisitions per month. A statistical analysis of these actions indicates that approximately 30 per cent fall within the small purchase criteria of not in excess of \$200 per unit or \$2,500 per line item or order. In addition, the [REDACTED] PD/OL [REDACTED] PD/OL), has averaged 60 actions per month of the same type. Therefore, approximately 400 actions per month in a seven-month period (2,800 actions) could and would logically be declared [REDACTED] type actions. The [REDACTED] which existed at the Central Depot, Supply Division, OL (CD/SD/OL), consisted of a six-man staff (chief, GS-13; two each buyers, GS-09/10; a secretary, GS-06; a packer, GS-07; and a utilities man, GS-05/GS-06). Based on a 500 to 600 requisition per month average, the plan for institution of a [REDACTED] within PD/OL would only necessitate four personnel total (one full time secretary procurement clerk, GS-06; a packer, GS-07; and two each utility drivers, GS-05/GS-06). The actual awarding of purchase orders for handling by [REDACTED] would be accomplished by Procurement Officers in GPB/PD/OL. The only change from the normal processing of GPB/PD/OL purchase orders would be that the Procurement Officer would give the vendor an address (to be established) for delivery and indicate that the order would be C. O. D. Once the order was received by the [REDACTED] in the Ames Center Building, it could be processed for delivery. Dependent upon size, weight, and channels available for receipt at overseas destinations, the order could be packed by [REDACTED] and sent APO, or sent to the Freight Traffic Branch, CD/SD/OL (FTB/CD/SD/OL), for shipment via pouch or other method. Large and/or heavy items would always be referred to FTB/CD/SD/OL for handling. Items for delivery in the Headquarters area would always be turned over to the courier service or delivered directly by [REDACTED] in the case of a priority requirement.

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2. It is my contention that the [REDACTED] could not only handle the aforementioned actions, but also the actions which fall into the same category (numbering 100 a month) which are currently being handled by the Interdepartmental Support Branch, SD/OL and the preponderance of actions from the [REDACTED] account. Therefore, [REDACTED] would be established as an overt asset and would respond to SC-0 and SC-1 NNT requests submitted by designated activities overseas, and to requirements of [REDACTED] field, and Headquarters activities. Accommodation procurements falling within the provisions outlined in paragraph 2 above could also be handled [REDACTED]

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3. In addition to the four personnel requested, there would be the need for assignment of a small econo-line type van, preparation of a receiving area office (currently identified alternatives may be found in attachment 1), the installation of telephone lines, and possibly the establishment of a separate imprest fund.

4. The space outlined in the attachment on the first floor of Ames Center Building is currently occupied by the Office of Medical Services. The space outlined in the same attachment on the third floor of Ames Center Building is under the control of the Office of Personnel and preliminary indications are that this space could be immediately made available. I have personally reviewed the two areas in question, in conjunction with the Chief, Real Estate and Construction Division, OL (C/RECD/OL), and although my preference, for many reasons, i.e., configuration of the space accessible to a "loading deck," double door entrance, etc., would be that depicted on the third floor, either alternative would be acceptable. C/RECD/OL's rough estimate of cost for improvements is \$2,000 for the space on the first floor and \$2,500 to \$3,000 for the cost of renovation of the third floor.

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5. As we are aware, the additional work load absorbed by the PD/OL through GPE/PD/OL, which emanated from the dissolution of both the [REDACTED] CD/SD/OL and the [REDACTED] at the [REDACTED] provides inordinate work load on a continuing basis which must be alleviated. This technique would provide numerous benefits which are listed below.

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a. The reduction of a continuing backlog of orders which would enable a more reasonable thru-put time for processing.

b. An opportunity to eliminate the vast amounts of overtime necessitated during the last several months which equate to real dollar savings.

c. An overall increase in efficiency of business effected by the GPB/PD/OL.

d. In addition, it would provide more rapid response to the customers and increase flexibility in the application of PD/OL's resources to the task at hand.

6. It is recommended [REDACTED] be established within the GPB/PD/OL as soon as possible [REDACTED] probably the most practical and flexible method for dealing efficiently and expeditiously with the high volume of low dollar value procurements. In addition, the benefits are many -- quick reaction, elimination of the need for preparation of a purchase order or receiving document, no FPA processing, on the spot payment, and a reduction of the work load in the Office of Finance, SD/OL, and PD/OL, while providing the customer quicker and more efficient service.

[REDACTED]
Chief, Procurement Division, OL

Att.

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